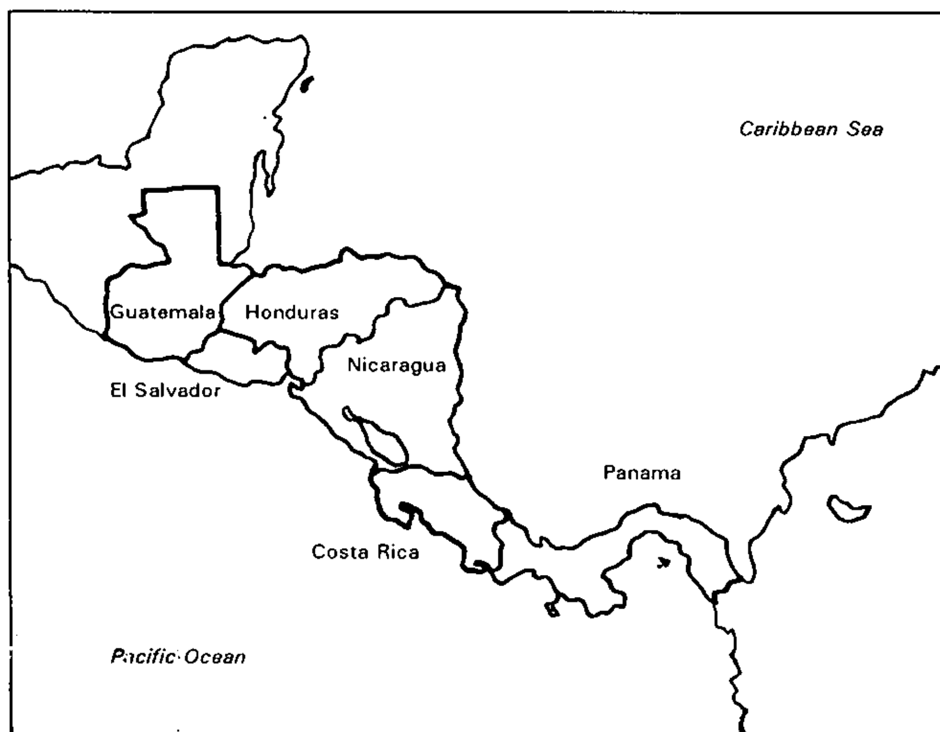
A World Peace Foundation Report

DEMOCRATIC TRANSITIONS in Central America and Panama



Marc Lindenberg

DEMOCRATIC TRANSITIONS in Central America and Panama

by Marc Lindenberg

January 1993

A
WORLD PEACE FOUNDATION
REPORT

Adapted from the foreword and concluding chapter of the forthcoming volume:
Democratic Transitions in Central America and Panama,
edited by Jorge I. Domínguez and Marc Lindenberg.

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Foreword

In the late 1970s, Central America, which had been a backwater of international politics, exploded onto the front page. For the next decade, this small underdeveloped area, containing barely 22 million inhabitants, was the focus of the most acrimonious foreign policy debate that the United States had seen since the Vietnam War. For the Reagan Administration, Central America was a major battleground in the contest with the Soviet Union and the defeat of Central American revolutionary movements a top foreign policy priority. For the Administration's critics, the revolutions were the result of age-old social injustice and political repression; unless those wrongs began to be righted, revolutions would be a permanent part of the landscape — "inevitable," as one critic put it — and attempts to repress them would be doomed to fail.

Surprisingly, given the distance between their starting positions, the two sides in the debate came to converge on the ultimate solution to the problem of Central America. The way to cut the ground out from under the revolutionaries, said the Reaganites, was to create democracies in the region, which would offer the masses the possibility of a better future in a climate of freedom. The critics had all along insisted that the cause of the upheavals in the region was the absence of democracy. Although they argued that democracy meant more than elections, the critics could hardly disagree that democratic institutions were essential to enduring social and economic reform. Where the two sides continued to be at odds was on the way in which democracy could be best achieved in Central America. Moreover, the critics questioned the

Administration's sincerity, charging that its new-found support for democracy was a cover for its unrelenting reliance on force to defeat the revolutionaries. If anything, the debate increased in vehemence as the decade wore on.

As a result, both sides advanced very different versions of what was of what was happening in the area. The Administration made exaggerated claims about the pace of democratization in most of the countries — with the exception of Nicaragua, in spite of elections held in that country in 1984. Many of the Administration's critics tended to belittle what was being achieved in the region, at times denying that there was any real change at all, except in Nicaragua, where many felt the 1984 elections were reasonably free.

What is now apparent, with the benefit of a longer term perspective, is that a process of transition to democracy did get underway in Central America and Panama in the 1980s and that, however haltingly and precariously, the process continues today. It is also obvious that, with the achievement of settlements of the conflicts in El Salvador and Nicaragua, the process has entered a new phase: the crisis of war has given way to the long haul of building the peace.

Accordingly, the World Peace Foundation felt this was the time for a study that would attempt to divine the deeper patterns discernible in the transition process in the region and to draw some broader lessons from the experience that would be relevant for the future. The Foundation has always tried to be a bridge between the broad insights offered by the scholar and the practical concerns of the policy practitioner. It hoped that a study of this kind would help those who are attempting to consolidate democratic gains in Central America and Panama and, as well, bring some new evidence to the debate about the democratization process generally.

Just as it was the Central Americans themselves who in the end were the architects of their own peace, so too it was the Central Americans who were ultimately responsible for whatever progress toward democracy has been achieved in their countries. While the support for democratic transitions from the United States and other foreign powers was helpful in creating the political space that democratic leaders needed to act, it is they who took the risks, both political and physical, of acting. It was with this personal element in mind that the organizers of our study decided to ask some of the principal actors in these events to perform the labor of analysis that is usually left to academics in projects of this kind.

The decision to enlist practitioners as authors brought with it some complications and trade-offs. For one, these were people who are still very active in the public affairs of their countries; as a result, several authors who were at first enthusiastic about participating found themselves unable in the end to devote sufficient time to the project and dropped out. This left some gaps as far as country coverage was concerned. Nevertheless, we were able to include four of the original six countries in which the transition to democracy has been the most difficult and accompanied by the most violence — El Salvador, Guatemala, Nicaragua, and Panama.

Relying on principal actors as analysts also raised the question of objectivity. One way we dealt with that problem was to recruit two authors from each country, each of whom held opposing, or at least diverging, political views. Beyond that attempt at balance, however, we purposely did not try to censor the views of the authors even when they flatly contradicted one another, nor did we seek to de-ideologize them; on the contrary, we felt that it would have defeated the purpose of our approach to do so. The editors did, however, provide the authors with a common set of questions to address and enjoined them not to be merely descriptive or anecdotal.

Also, it is our belief that the introductory and concluding chapters by the editors will provide the detachment that may be lacking in the intervening chapters. It was the editors' task to draw out of the first-hand accounts of the other authors those common patterns and causal relationships that turn the trees into a forest.

Everyone recognizes that, except in Costa Rica, the transition process in the region is a fragile one and the progress that has been made is not necessarily irreversible. Nevertheless, the fact that it is now taking place in a climate of relative peace that was for so long absent and that it is a peace fashioned by the very parties to the conflict gives cause for hope that it will endure. It is that hope that has inspired all those who participated in this study.

As is customary, the World Peace Foundation is bringing out this report in advance of the publication of the complete study. It is based on the final chapter in the forthcoming book; the author is Marc Lindenberg, who together with Jorge Domínguez, edited the study volume.

Richard J. Bloomfield
November 1992

Democratic Transitions in Central America

Marc Lindenberg

El Salvador's former President Napoleon Duarte, described Central Americans as "swept along in a wave of long steady economic growth and stable military rule from which they plummet into cycles of economic collapse and violent conflict."[1] The cyclic description of Central America's economic and political life is a useful point of departure for a look at the prospects for successful transitions to consolidated democracy in Central America and Panama.

Since the early 1900s, during the periods of stability, Central American nations generated impressive economic growth through the export of one or more agricultural commodities during global economic expansion. With the exception of Costa Rica, military leaders, allied with dominant business interests, controlled the region's governments. The benefits of economic growth from these boom periods were not well distributed. Furthermore, investments in human capital were rare. For example, excluding Panama since 1969 and Costa Rica since 1960, Central American governments spent less than three percent of their annual GNP on education and health combined.[2] These inequities were often masked until world economic recession sparked political and economic crisis.

Central America's crisis periods were normally accompanied by social upheaval countered with repression. During the height of the crisis old military dictators were overturned by new generals allied

with dominant business leaders. The new rulers steadied the political helm while the next successful economic strategy was implemented. They often rode the wave of world economic recovery until it crested downward. Then the process of collapse and realignment began all over again.

Is the Central American turmoil which began in 1978 nothing more than a repetition of the normal vicious cycle of violent crisis and realignment? Or, has a more profound democratic transition begun?

CENTRAL AMERICAN TRANSITIONS IN THE 1980s: REPETITION OF A VICIOUS CYCLE OR A NEW BEGINNING?

On the surface, the crisis of 1978 in Central America looks like the beginning of the same old story. It was triggered by the worst world recession since the great depression of the 1930s. It was accompanied by tremendous violence and disruption in all nations.

But the responses to the crisis of 1978 have some surprising differences. Successful revolutions took place in El Salvador and Nicaragua. The U.S. military invaded Panama to overthrow General Manuel Noriega. Guatemala began a difficult transition to democracy while fighting a counter insurgency war and Honduras made a democratic transition with less violence. Eventually all Central American governments responded with double shock polices of economic adjustment and democratic political opening, unparalleled in the region.

An assessment of the transitions of the 1980s leads one to cautious optimism that four of the six Central American nations — Costa Rica, El Salvador, Nicaragua and Panama — may have crossed the threshold where stronger more lasting participative governance structures can be put into place.

A closer examination shows three patterns of transition. The first type of transition, a regime-led one with a high degree of social consensus, was begun in Costa Rica. Its challenge is to further define a successful new economic strategy and to modernize Costa Rica's model of democratic participation. This modernization, however, continues to take place on a solid foundation forged particularly after that nation's 1948 revolution.

In contrast, in Nicaragua and El Salvador, new governance structures emerged through negotiated agreements among key coalitions representing a relatively broad spectrum of ideologies and social groups. Societal led movements overturned earlier governments, but no single internal group proved capable of imposing its will on the others. Power relations were altered precisely because these military stalemates led to negotiated political settlements with broad support. Property relations were changed due to land reform. Finally, the Guatemalan and Honduran transitions were military regime-led adjustments negotiated with a narrow spectrum of groups which left elements of the traditional business, civil elite in a predominant position. These transitions may do nothing more than repeat the old cycle of Central American military and civil realignment. For example, key participants in the Guatemalan transition of the 1980s lament that their nation again postponed social transformations.[3] Former Honduran and Guatemalan military leaders warn of the continued independence of the armed forces in their societies.[4] Let's look at these transitions in more detail.

Costa Rica: Fine Tuning A Transition in Process

The Costa Ricans have made major headway in the economic and political transition which began in 1982. Their nation has achieved successful economic stabilization and several phases of an

adjustment program. The basic parameters of the outwardly-oriented strategy were accepted by both political parties and the general population. While there is disagreement about the speed of this transition, broad consensus has been built through intensive dialogue between government, business, labor, and community groups. As a result, the basic direction of economic policy has remained unchanged even though the National Liberation Party was replaced by the Social Christian Party in the elections of 1988. Furthermore, the nation survived the temptation to restrict basic rights and drastically increase its police budget during the heightened tensions with Nicaragua and Panama.

The two biggest challenges to Costa Rica's continued transition are consolidating the outwardly oriented economic growth and fine tuning the democratic process. There are five barriers to consolidating the new outwardly oriented economic model. First, vested economic interests still resist opening the economy. Both members of business chambers and community groups continue to fight the reduction of specific subsidies. A second threat is the popular reaction by low income groups to perceived losses in their real wages as a result of the new policies. A third barrier is the slow pace of the transformation of the role of the state to a smaller, more dynamic catalyst of economic and social activity. This implies a reduction of the role of public enterprises and the search for new private or mixed alternatives in banking and insurance. But such systems prove extremely difficult to dismantle. A fourth dilemma is how to protect Costa Rica's human capital base during the adjustment process. The Costa Ricans want to maintain quality health and education programs without large fiscal deficits. Finally, according to leaders in both major political parties, the educational system will need to be totally reoriented to help citizens work in a competitive

environment and to help public sector employees change from a bureaucratic to a service oriented mentality.

The Costa Ricans' second major challenge is remedying the "vices of democracy." This requires creative responses to four basic problems. First, many Costa Ricans decry the excessive time and attention both parties gave to political campaigning as opposed to governing effectively. Often candidates begin campaigning within a year of the last election. Second, both political parties need to overhaul their internal rules to permit more democratic control and participation. Third, the older generation of political leaders who played important roles in the revolution of 1948 are reluctant to surrender key positions to the younger generation. Finally, opinion polls show a that the public believes there has been a serious increase in corruption in both public and private life. This may heighten cynicism about the value of democratic government.

Nicaragua, El Salvador, and Panama: Consolidating Fragile But Important Beginnings

Nicaraguans, Salvadorans, and Panamanians express optimism about the transition process. They place value in the importance of the negotiated agreements between the Sandinistas and the government of Violeta de Chamorro in Nicaragua and between the Farabundo Marti National Liberation Front (FMLN) and the Cristiani government in El Salvador as first steps in setting new rules of the game. Important new institutions and political parties have emerged but political consolidation and the development of new dynamic institutions are important unfinished tasks.

The barriers to economic reform are formidable. In contrast to Costa Rica, which began its economic stabilization in 1982, these three nations were beginning such efforts ten years later and after a series of aborted attempts. Furthermore, unlike Costa Rica, none

had yet found a model which provided both growth, employment, and substantial investments in human capital to help overcome major problems of health and education. This has been a major factor in the region's past political instability. Panama appeared to have taken larger strides in achieving an outward orientation and in achieving this balance. But its interoceanic canal provides an extra economic motor which neither El Salvador nor Nicaragua has.

Another barrier to economic reform was that strong vested interests opposed adjustments. Nicaraguan observers differed about whether the traditional business community presented as much of a barrier to efficient outwardly oriented production as Sandinista unions and new economic groups who, critics insist, enriched themselves through the "piñata" in the last days of Sandinista rule. (The Sandinistas argue that there was no "piñata.") An additional threat is the thinness of expertise in economic policy making in new political parties, in government, and in civic groups. Furthermore, attempting to resurrect economies on a base of poverty, after war, with minimal external resources is no easy task under any circumstances. Finally, modernizing the state and making it an efficient promoter of economic and social development will take decades.

The consolidation of a democratic transformation will not be possible without further work on the rules of the game. New legislation, pacts and dialogues will be needed to provide the social glue to hold the transitions together. Nicaraguans lament the sporadic outbreaks of violence by what they called "recontra" and "recompa" groups (demobilized former contra and Sandinista soldiers) dissatisfied with the outcomes of the transition and backed by political extremists on both sides of the spectrum. New formal government institutions like legislatures, executive staffs, and judiciary must build competent staff and sound procedures. The new

political parties, unions, civic organizations, and business chambers need considerable strengthening to represent their constituents effectively. A deep change in political culture through massive education and by the example of efficient, fair government is needed if democracy is to have a chance. Finally, the boundaries between military and the new civilians in government remained ambiguous. For example, the head of the army (Jefe del Ejercito) in the new Chamorro government in Nicaragua continued to be Humberto Ortega, one of the nine Sandinista commanders and the brother of former President Daniel Ortega. In El Salvador it is not clear how well the agreements for establishing a new police force and civilian control of the military would actually work. While the abolition of Panama's Defense Force provided a real opportunity for a new organization under civilian control, the task of developing such a new group will not be easy.

In summary, while the Costa Rican transition requires fine tuning its economic strategy and model of democratic participation, the Salvadoran, Nicaraguan, and Panamanian transitions demand further construction of participatory institutions and consolidation of the new institutions on a fragile but important foundation of radically changed political coalitions.

Guatemala and Honduras: Initiating a More Lasting Transition

Most of the threats to real transition identified in the discussion of Panama, Nicaragua, and El Salvador also plagued Guatemala and Honduras. But there are two additional very serious concerns. First, the reassertion of power by traditional groups may again postpone needed social transformation. For example, the former Guatemalan Defense Minister who participated in our study stated that business pressure groups in Guatemala almost brought the Cerezo government down over the issue of increased taxation and

social expenditures. According to him, these groups not only protested but encouraged elements within the military to try two unsuccessful coups. By postponing a social transformation a more bloody transition may again occur later.

Finally, in the absence of real contravening pressures, the military could maintain its predominant role. The Honduran military still maintains a high level of formal, structural independence from civilian control. Although Guatemala's new constitution permitted executive oversight, civilians have been unwilling and afraid to take the reins.

IS SPEEDING UP THE TRANSITION PROCESS REALLY FEASIBLE?

For some students of the democratic transitions, the changes in Central America in the 1980s might be viewed with extreme skepticism. They would assert that the process of development of democratic institutions is an evolutionary one that cannot be rushed. For example, Robert Putnam argues that today's relatively effective democratic infrastructure in Northern Italy was built upon a base of civic organizations formed centuries earlier.[5] He believes that the lack of similar development in Southern Italy can be traced to absence of this earlier civic base. Samuel Huntington argues that democratization is intimately related to a more complex, long term process of economic development and modernization.[6] More recent work on the management of simultaneous economic transition and political opening in the 1980s also provides evidence for the difficulties of speeding up managed change.[7]

For better or worse the Central American region and the world are in the midst of important economic and political transitions. Policy makers cannot afford to wait while scholars sort out exactly what might help consolidate the transition process. Recent work by

the World Bank and other institutions shows convincingly that policies do matter and that economic change can be accelerated.[8] While acknowledging how little is known about consolidating democratic transitions, Graham Allison and others have attempted to identify key programmatic interventions to promote transition.[9]

There are no rules for speeding up transitions. But, one can at least think about the process by first identifying the barriers and then suggesting the policy actions which might help to overcome them.

BARRIERS TO TRANSITION

Barriers to transition can be clustered into five areas based on their origin in (1) the institutional context, (2) the sphere of civic organizations, (3) political parties, (4) legislative, executive or judicial institutions, or (5) the ministries and government program. Such an organizing framework is useful because it helps identify where reform programs might be more specifically directed even though each nation must find its own road to transition.

Barriers in the Institutional Context

The institutional context may be thought of as the cluster of complex rules which govern the interactions between civil society, political society, and the state. Nonexistent or imprecise rules of the game continue to be a serious barrier to further transition. The presence of formal rights, but the absence of real, enforceable civil, political, and economic rights result in low levels of confidence. For example, lack of clarity of property rights after a decade of revolution and reform in Nicaragua have made it difficult to attract foreign investors and to convince Nicaraguans to invest as well. In addition the lack of experience with dialogue and negotiation as opposed to violence, confrontation, and repression has made consolidating the transitions a real problem.

Barriers in Civil Society

While civil society did not flourished in Central America under authoritarian rule, citizens were permitted to form business, labor, and private associations to promote their civic interests. The non-government media were authorized as well. The terms under which civic groups were permitted to function fluctuated. Sometimes groups were permitted to operate freely but when governments felt threatened press censorship and state of siege were imposed.

Liberalization in the 1980s permitted an expansion of civil society. However, this left serious problems. Previously, when opposition political parties had been repressed, civic organizations like business chambers had filled the vacuum. They not only defended specific sectorial interests but also served as the focal point for broad based political action. With the opening of political life, it was hard for old leaders to accept a more restricted role and a less confrontational style.

In addition, civil society had been strongly dominated by powerful business chambers. Their resources and expertise put new labor and civic groups at an extreme disadvantage. Furthermore, new organizations lack the talent and expertise to develop strategies,

political life for a decade, it has been hard for new parties to compete on an even playing field. In addition, many of the old political groups like National Liberation Movement (MLN) or Democratic Institutional Party (PID) in Guatemala had been parties of notables which really only functioned at election time. Still others were totally dependent upon a single charismatic figure. Modernizing old parties has proved to be an important bottleneck in the transition.

Old minority parties and totally new parties have had special problems building professional organizations capable of contesting power and then staffing an effective government. For example, the Christian Democrats in El Salvador, Guatemala, and Panama had operated under severe legal restrictions in the past. Their leaders had been under constant threat and in El Salvador and Guatemala assassinations were not infrequent. One Guatemalan participant noted that his party had had to spend so much effort just mounting a successful election campaign that they had little chance to think seriously of what policies they would pursue if they won. He added that they had problems just staffing the new government with talented people. A final problem for all parties had been the democratization of internal procedures and the development of real professional staff capable of developing policy positions.

Barriers Within the State — New Legislatures, Executive Branches, and Judicial Institutions

The assignment of more dynamic roles to legislatures and the judiciary have put tremendous strains on these antiquated institutions. For example, many newly elected officials have had virtually no experience in legislative process, critical analysis of national priorities, or evaluation of programs and budgets. Furthermore, procedures for conducting government business have had to be

invented as democratization advanced. One Panamanian leader noted that in the first public legislative budget hearings neither the legislators nor the executive officials knew quite what to do. In addition, there was no tradition of legislative staff work on policy issues. The Vice President of the Salvadoran Assembly said he had no staff for policy analysis. He felt it had been easier to operate clandestinely than as a key player in a legislative assembly. Finally, many Central Americans note that the pressures of guaranteeing a fair, open civil, and political process has put special strains on the judiciary. Systems were cumbersome. Judges are paid poorly. They are easily subjected to threats and intimidation and susceptible to corruption.

Barriers Within The State — The Ministries and Government Program

The transitions will only be as successful as the ability of new governments to define coherent plans for economic and political development and to carry them out efficiently and fairly. With the exception of Costa Rica the new governments have had not been effective in defining an economic strategy which would generate growth, employment, and income distribution. Key ministries have not had the talent to perform policy analysis nor implement programs effectively. The ministries have ambiguous objectives. They are over staffed with underpaid officials and unmotivated officials. Finally, the lack of clear rules for civil military relationships has left the door open for a return of a firm hand in government should the civilians prove incapable of providing effective government.

POLICIES FOR STRENGTHENING TRANSITIONS

There can be no single set of recommendations consolidating transitions which apply to every Central American nation. However,

it is possible to talk about the potential ways that particular barriers can be overcome when they happen to exist in a given country. The list which follows is meant as no more than a device to stimulate leaders and policy makers who believe their nations have particular transition problems. They are motivated by the spirit that one should not mention problems without being willing to at least think about solutions. However, each nation must craft its own solutions based on its particular situation.

Institutional Context

1. Complete the constitutional reforms which establish the separation of powers and the basic rules for democratic government.

2. Formalize the guarantee of basic civil, political, and economic rights.

3. Insure the legal recognition of new civic and political groups.

4. Promote the resolution of conflicts through pacts, dialogue, and discussion rather than violent conflict.

5. Keep international attention focused on regional advances and also on abuses.

6. Use United Nations and regional organizations to help monitor peace agreements and the transition process.

7. Promote educational reforms which favor problem solving, and awareness of basic rights. Promote basic education.

Civil Society and Civic Organizations

8. Stimulate the formation of new civic organizations and community-based problem solving.

9. Provide training and technical assistance to help new organizations define strategy and programs and to build their capacity to be dynamic, self-sufficient organizations.

10. Encourage civic organizations to put pressure on government to be responsive.

11. Stimulate civic and private organizations to provide programs which force government to be competitive and more service oriented.

Political Society and Political Parties

12. Support new electoral laws which make the election process clear, transparent, and efficient. Rely on international experience and monitoring when fairness may be an issue.

13. Encourage redistricting to ensure fair representation of citizens by politicians.

14. Promote the professionalization of political parties. Rely on world experience in party development.

15. Provide technical assistance to build capacity within the parties to define policy options and debate these options publicly.

The State — New Legislatures, Executive Staffs and the Judiciary

16. Use proven world practices to design executive, legislative, and judicial procedures.

17. Provide training in policy design, budgeting, and program evaluation as well as legislative process to newly elected officials.

18. Promote the establishment of professional analytical executive and legislative staffs.

19. Support an independent judiciary. Protect judges from intimidation.

20. Combat corruption.

The State — Ministries and Government Programs

21. Encourage the search for economic strategies which stimulate balanced growth and employment generation and invest in the human capital base.

22. Promote public sector reform to help develop a smaller but more dynamic client-responsive public sector.

23. Strengthen civilian control of the military.

24. Identify and implement proven practices in social service delivery system.

While there is no road map for successful transitions, adoption of these proposals where they apply to specific country situations, should increase the chances of successful transition to democracy.

CONCLUSIONS

We began with a description of a two century-long Central American vicious circle of crisis and instability. This circle led away from the promise of greater social development and political participation. But we noted as well that recent studies showed that in the last century a number of nations had successfully managed a process of successful economic and political transition.

The review of recent Central American experience provides cause for both caution and hope. On the one hand, policies which promote transition can not even reach the agenda for approval without solid political coalitions which may take generations to form. They cannot be successfully implemented without the institutional infrastructure necessary to make them work. On the other hand, there is evidence that new coalitions have emerged from the chaos of the 1980s which might provide a fragile, but emergent base for such transitions.

Such a conclusion provides a challenge to both extreme optimists and pessimists. First, optimists who think that rapid reform through

"getting macroeconomic policy right" is the exclusive leading edge solution to development dilemma, need to take the problem of institutional capacity building more seriously.

Blind macro policy proponents appear surprised when people and institutions do not respond, for example, to market forces supposedly unleashed by their reforms. They are even more surprised when citizens throw the reform governments out of office. These advisors often blame everyone but themselves when their policies do not work. They need to incorporate a greater emphasis on institutional reform and political coalition building into their approach to change. They should not mislead others into thinking that social change is easy or that it can be imposed. They should not be misled themselves.

The second unfortunate response to the insights from the analysis of the recent Central American experience might be extreme pessimism. Pessimists would argue that since successful reforms are so deeply imbedded in the glacially slow, evolutionary development of civic culture and governance structures, that nothing can be sped up either. They ignore evidence that many successful governments between 1965-87 as well as before this period, did in fact think systematically about how to overcome barriers to more rapid change and that they built upon their understanding of their cultural and institutional context to speed reforms.

The pessimists need to learn more about successful mobilization of policy to promote change. They should focus on the triangle of values, coalitions, and institutional fabric which provide the foundations of such change. They can identify the barriers to change and suggest how to overcome them. Such an approach attempts to build upon context and culture to increase the probability that policy reform will be more successful.

NOTES

1. Author's interview with President Jose Napoleon Duarte, May 1986.
2. The International Monetary Fund's, *Government Finance Statistics Yearbooks* (Washington, D.C.: IMF, 1960-90) was used to compute the annual data.
3. Comments of Rodolfo Paiz — Minister of Finance during the Venicio Cerezo Government in Guatemala — at the World Peace Foundation *Democratic Transitions* workshop discussion notes, Cambridge, MA, May 1991.
4. Comments by General Héctor Gramajo, Minister of Defense during the Venicio Cerezo Government in Guatemala and General Walter Lopez, former Minister of Defense of Honduras, at the World Peace Foundation *Democratic Transitions* workshop, Cambridge, MA, discussion notes, May 1991.
5. Robert T. Putnam with Robert Loenardi and Raffella Nanetti, *Democracy and the Civic Community: Tradition and Change in an Italian Experiment* (Princeton: Princeton University Press, 1992).
6. Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).
7. Marc Lindenberg and Shantayana Devarajan, "Prescribing Strong Economic Medicine: Revisiting the Myths About Structural Adjustment, Democracy, and Economic Performance in Developing Nations" *Comparative Politics* 25:2 (January 1993).
8. [illegible]

Appendix I

DEMOCRATIC TRANSITIONS IN CENTRAL AMERICA AND PANAMA
Edited by
Jorge I. Domínguez and Marc Lindenberg

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Chapter Three	Democratic Transition: The Case of Panama *Eduardo Vallarino*
Chapter Four	Revolution and Democratic Transition in Nicaragua *Jaime Wheelock Román*
Chapter Five	Democratic Transitions in Nicaragua *Silvio de Franco and José Luis Velázquez*
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Appendix II

About the Authors

Nicolás Ardito-Barletta, former president, Panama, 1984-1985; former vice-president of the World Bank for Latin American and the Caribbean, 1975-84; general director, International Center for Economic Growth, Panama.

Richard J. Bloomfield, senior fellow, Thomas J. Watson Jr. Institute of International Studies, Brown University; former executive director, World Peace Foundation; former ambassador to Ecuador, 1976-1978 and to Portugal, 1978-1982.

Silvio De Franco, former president, Central Bank of Nicaragua, January-September 1992; former Minister of the Economy and Development, 1990-January 1992.

Jorge I. Domínguez, professor of Government and chairman of the Committee on Latin American and Iberian Studies, Harvard University; former president, Latin America Studies Association.

Hector A. Gramajo M., former Minister of National Defense, Guatemala, 1987-May 1990; founder and president, Foundation for Institutional Development of Guatemala.

Marc Lindenberg, senior vice president of programs, C.A.R.E.; lecturer in Public Policy (on leave), Harvard University; board member and former rector, INCAE (Central American Management Institute); board member, Foundation for Management and Education in Central America.

Roberto H. Murray Meza, president, La Constancia Brewery, El Salvador.

Rodolfo Paiz-Andrade, former Minister of Finance, Guatemala, 1986-1989.

Eduardo Vallarino, former ambassador to the United States, March 1990-April 1991, and to the United Nation, December 1989-March 1990, from Panama.

Jaime Wheelock Román, member of the Sandinista directorate and former Minister of Agricultural Development and Agrarian Reform, Nicaragua (1979-1987).

José Luis Velázquez, advisor to Mr. Silvio de Franco.

Rubén Zamora, vice-president of the Legislative Assembly, El Salvador; president, Popular Social Christian Movement.

Appendix III

Conference Participants
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Cambridge, Massachusetts
May 30-June 1, 1991

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Joseph Sullivan
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Department of State

Eduardo Vallarino
Former Ambassador to the United States, Panama

Jaime Wheelock Román
Former Minister of Agricultural Development and Agrarian
Reform, Sandinista government, Nicaragua

Ruben Zamora
Vice-president of the Legislative Assembly, El Salvador

About the World Peace Foundation

The World Peace Foundation is a private, non-profit foundation which seeks to advance the cause of peace through public education in international relations. The Foundation conducts studies, organizes conferences and publishes reports and books. The Foundation's studies draw upon the expertise of individuals from a variety of professional backgrounds, including academia, business, politics and government. Through its projects, the World Peace Foundation seeks to offer to the public and to policymakers new insights into international problems and possible solutions.

The Foundation also sponsors the quarterly journal *International Organization*.

Established in 1910, the Foundation's income is from the endowment provided by its founder, Edwin Ginn, supplemented by grants from other foundations for specific projects.

The Foundation's offices are located in the Curtis-Saval International Center, 22 Batterymarch Street, Boston, MA 02109
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